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Supreme Court of the United States

October Term, 1964

No. 1006

T. B. HARMS COMPANY,
Petitioner,

against

EDWARD ELISCU and ROSS JUNGNICKEL, INC.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF OF RESPONDENT EDWARD ELISCU IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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This brief is submitted on behalf of respondent, EDWARD ELISCU, a defendant in the above captioned matter, in opposition to plaintiff's petition for a Writ of Certiorari. Petitioner's complaint was dismissed by Judgment of the United States District Court for the Southern District of New York, EDWARD WEINFELD, Judge, 226 F. Supp. 337 (1964), for want of federal jurisdiction. Judge Weinfeld's decision was affirmed by the United States Court of Appeals for the Second Circuit at 329 F. 2d 823 (1964).

Questions Presented

a. Does the complaint set forth a claim arising under the Copyright Act of the United States?

b. Does the complaint raise any important question of federal law?

Statement of the Case

Edward Eliscu (hereinafter called "Eliscu"), one of the defendants herein, is a co-lyricist of the four musical compositions written in 1933 for the motion picture "Flying Down to Rio", which compositions are the subject matter of the instant action. Petitioner T. B. Harms Company (hereinafter called "Harms"), was the publisher of the said compositions for the initial term of copyright, pursuant to an agreement between the parties. Harms contends that it became vested with the publishing rights to the compositions during the renewal term of copyright as well, pursuant to other documents which it proffers as constituting the agreement between the parties (R. 52a-53a).[1]

Eliscu obtained Certificates of Registration in and to the renewal terms of copyright of each of the four compositions in November and December, 1961 (R. 52a-53a).

Eliscu commenced action in the New York State Supreme Court seeking a declaratory judgment on Septem-

1. (R.) refers to the appendix to the brief of petitioner, T. B. Harms Company, in the U. S. Circuit Court of Appeals. (Eliscu R.) refers to the appendix of respondent, Edward Eliscu, in the U. S. Circuit Court of Appeals.

ber 9, 1963. The essence of Eliscu's New York State claim is that under his agreement, Harms' rights expired at the end of the initial term of copyright and that he, Eliscu, be declared owner of the renewal terms.[2] In addition, Eliscu seeks an accounting of monies received by Harms with respect to the exploitation of the compositions during the renewal terms (R. 53a).

Seven weeks after Eliscu commenced his New York State action, Harms instituted the instant action wherein it also seeks a declaratory judgment as to the ownership of Eliscu's renewal interests in the same compositions and claims that an agreement entered into between Eliscu and Ross Jungnickel, Inc. which contingently transferred Eliscu's interest in the renewal terms to that publisher, subject to a successful determination of Eliscu's New York State court action, constituted copyright infringement. Harms also contends that notifications by Eliscu's attorneys of Eliscu's claims to royalty collecting agencies infringed its copyrights (R. 5a-42a).

The facts and issues appearing in the Record in the instant action are identical to those which will be determinative of the New York State Supreme Court action.

The basic issue which the parties seek determined in both actions is whether certain documents constitute the

2. A copy of Eliscu's New York Supreme Court complaint is set forth at pages 4(a) through 8(a) of the Appendix to respondent, Eliscu's Brief in the United States Circuit Court of Appeals. It should be noted that extensive examinations before trial of both plaintiff and defendant have been held in the New York State Supreme Court action which was commenced nineteen months ago (R. 53a; Eliscu R. 13a).

agreement between the parties with respect to Eliscu's co-authorship of the compositions. The parties each place reliance on different documents. The questions to be determined are: whether Eliscu ever executed a document which Harms claims to constitute the agreement; whether another document submitted by Harms constituted a limited grant by Eliscu to RKO Studios, Inc. (Harms' alleged assignor) of only the right to use the compositions for the motion picture "Flying Down to Rio"; or whether the terms of such agreement with RKO Studios, Inc. included a full grant of the renewal terms of copyright in and to the compositions. Thus, the dispute between the parties is solely one arising under principles of state contractual law.

The Record reveals only two documents claimed by Harms to constitute a conveyance by Eliscu of his renewal term interests. One such document is an agreement dated May 25, 1933, between Eliscu and RKO Studios, Inc., wherein Eliscu agreed to write the lyrics to three of the compositions in question for use in RKO's motion picture "Flying Down to Rio" (R. 25a-33a). However, contrary to Harms' claim, the May 25, 1933 agreement did not provide for Eliscu's renewal term of copyright. Such agreement by its very terms constituted a grant by Eliscu to RKO only of the right to use the compositions in connection with the motion picture "Flying Down to Rio". In fact, the agreement expressly reserved to Eliscu the publication, mechanical and so-called "small performing rights" in the lyrics, the ownership of which rights constitutes the basis of both the instant action and Eliscu's prior New York State action (R. 31a).

The only other document claimed by Harms to constitute a conveyance by Eliscu of his renewal term rights is a document designated "June ——, 1933."[3] Harms claims that such document constitutes an express grant by Eliscu of his renewal term interests to Harms' assignor, Max Dreyfus. Eliscu denies having ever executed such a document. In this connection, the Record is clear that Harms does not have possession of any such document bearing Eliscu's signature (R. 60a). In fact, it is undisputed that the only document in the possession of Harms is one in which the name "Edward Eliscu" and the date "June 30, 1933" were inserted by Harms' then House Counsel (Eliscu R. 11a).

Thus, the principal issue to be decided is whether or not Eliscu ever executed the "June ——, 1933" document. That such issue will be determinative of the dispute between the parties was recognized by both Judge Weinfeld in his United States District Court Opinion and by Judge Friendly in his Circuit Court Opinion.

Judge Weinfeld held in dismissing the complaint:

> "* * * The fundamental controversy revolves about whether or not the defendant Eliscu executed an agreement dated June 30, 1933." (R. 124a)
>
> "The essential ground of the defendants' motion is that despite allegations of copyright infringement, the undisputed facts show that no acts have been committed or threatened which in any respect violate the

3. The blank appearing in the designation "June ——, 1933" refers to the description of the document in the Record claimed by petitioner to be an agreement dated June 30, 1933, allegedly executed by Eliscu.

copyrights, and that the hard core of the plaintiff's claim is one of title to a one-third interest in the renewal terms of the four songs, the very issue posed in the earlier suit commenced by Eliscu in the State Supreme Court, and that since all the parties are New York citizens, the Court is without jurisdiction over the subject matter." (R. 123a)

* * *

"On the entire record here presented there is no evidence to support a claim of infringement, actual or threatened, of the four copyrights so as to vest this Court with jurisdiction under the Copyright Act, and accordingly the motion to dismiss for lack of jurisdiction is granted. The claim is one for declaration of ownership of the renewal interest based upon Eliscu's coauthorship of the four compositions—the very issue presented by the pending suit in the Supreme Court of the State of New York. That Court has jurisdiction of the question of title and if the facts warrant it, power to compel Eliscu to execute an assignment of his interest and a cancellation of the assignment filed in the copyright office."[14] (R. 129a)

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14. *New Marshall Engine Co.* v. *Marshall Engine Co.*, 223 U. S. 473 (1912).

Judge Friendly, in his Circuit Court of Appeals Opinion stated:

"Allegedly—and his denial of this is a prime subject of dispute—Eliscu then entered into an Agreement dated June 30, 1933, assigning his rights to the existing and renewal copyrights to Dreyfus in return for certain royalties." (Petitioner's brief 40-41)

* * *

> "The crucial issue is whether or not Eliscu executed the assignment to Dreyfus; possibly the interpretation of the initial May, 1933 contract is also relevant but if any aspect of the suit requires an interpretation of the Copyright Act, the complaint does not reveal it." (Petitioner's brief 46)

Contrary to plaintiff's claim there do not exist any special or important reasons for this Court to consider any issues presented by this case. The fact is, no federal questions have been raised by the complaint. The entire dispute between the parties turns on a purely factual issue, whether defendant Eliscu has ever executed any agreement wherein he conveyed away his renewal rights in and to the copyrights to the four compositions in question.

The Circuit Court of Appeals correctly held:

> "Mindful of the hazards of formulation in treacherous area, we think that an action 'arises under' the Copyright Act if and only if the complaint is for a remedy expressly granted by the Act, e.g., a suit for infringement or for the statutory royalties for record reproduction, 17 U. S. C. §101, cf. *Joy Music, Inc.* v. *Seeco Records, Inc.*, 166 F. Supp. 549 (S. D. N. Y. 1958), or asserts a claim requiring construction of the Act, as in *De Sylva*, or, at the very least and perhaps more doubtfully, presents a case where a distinctive policy of the Act requires that federal principles control the disposition of the claim. The general interest that copyrights, like all other forms of property, should be enjoyed by their true owner is not enough to meet this last test." (Petitioner's brief 47)

Insofar as plaintiff Harms attempted to bring its action within the purview of a copyright infringement claim,

the Circuit Court of Appeals correctly sustained Judge Weinfeld's holding that the complaint failed to allege any act or threat of copyright infringement. In this connection, Judge Friendly held:

> "Infringement, as used in copyright law, does not include everything that may impair the value of the copyright; it is doing one or more of those things which Section 1 of the Act, 17 U. S. C. Section 1, reserves exclusively to the copyright owner. See Nimmer, Copyright Section 100, 141 (1963). The case did not even raise what has been the problem presented when a defendant licensed to use a copyright or a patent on certain terms is alleged to have forfeited the grant; in such cases federal jurisdiction is held to exist if the plaintiff has directed his pleading against the offending use, referring to the license only by way of anticipatory replication, but not if he has sued to set the license aside, seeking recovery for unauthorized use only incidentally or not at all. See Chief Justice Taft's review of the cases in *Luckett* v. *Delpark*, 270 U. S. 496 (1926); and Hart & Wechsler, The Federal Courts and the Federal System, 754-58 (1953). Here neither Eliscu nor Jungnickel had used or threatened to use the copyrighted material; their various acts, as the district judge noted, sought to establish their ownership of the copyrights by judicial and administrative action, including notice to the parties concerned." (Petitioner's brief 41-42).

POINT I

The Circuit Court of Appeals correctly held that an action "arises under" the Copyright Act only if the complaint is for a remedy expressly granted by the Act.

At the outset it should be noted that there is no claim of diversity of citizenship among the parties. Accordingly, Federal jurisdiction will lie only if the complaint sets forth a claim "arising under" an Act of Congress, in this case the United States Copyright Act. Title 17, U. S. Code. Contrary to petitioner's position, an action to determine title to a copyright does not constitute such a claim.

The criteria for determining when an action "arises under" an Act of Congress has been set forth by Mr. Justice Cardozo of this Court as follows:

> "To bring a case within the statute, a right or immunity created by the Constitution or laws of the United States must be an element, and an essential one, of the plaintiff's cause of action. *Starin* v. *New York*, 115 U. S. 248, 257, 29 L. ed. 383, 390, 6 S. Ct. 28; *First Nat. Bank* v. *Williams*, 252 U. S. 504, 512, 64 L. ed. 690, 692, 40 S. Ct. 372. The right or immunity must be such that it will be supported if the Constitution or laws of the United States are given one construction or effect, and defeated if they receive another. Ibid.; *King County* v. *Seattle School Dist.*, 263 U. S. 361, 363, 364, 68 L. ed. 339-341, 44 S. Ct. 127. A genuine and present controversy, not merely a possible or conjectural one, must exist with reference thereto (*New Orleans* v. *Benjamin*, 153 U. S. 411, 424, 38 L. ed. 764, 769, 14 S. Ct. 905; *Defiance Water Co.* v. *Defiance*, 191 U. S. 184, 191, 48 L. ed. 140, 143, 24 S. Ct. 63; *Joy* v. *St. Louis*, 201 U. S. 332, 50 L. ed. 776, 26 S. Ct. 478;

Denver v. *New York Trust Co.*, 229 U. S. 123, 133, 57 L. ed. 1101, 1120, 33 S. Ct. 697." *Gully* v. *First National Bank*, 299 U. S. 109, 112-113 (1936).

Under the above criteria set forth by Mr. Justice Cardozo, an action to determine title to a copyright *inter se* the author and an alleged assignee is clearly not one "arising under" an Act of Congress. No interpretation of the Copyright Act is required to ascertain the contents of an agreement, or whether a document was in fact executed.

POINT II

An action to determine the existence of an agreement to assign a copyright is not one "arising under" the Copyright Act.

An action seeking to determine title to a copyright or patent has long been held as one not "arising under" the copyright or patent statutes. *New Marshall Engine Co.* v. *Marshall Engine Co.*, 223 U. S. 473, 478 (1912). The courts have consistently held that a claim of title to a copyright, unaccompanied by acts that violate the copyright itself, is not one arising under the laws of the United States. *Luckett* v. *Delpark, Inc.*, 270 U. S. 496, 502 (1926); *Danks* v. *Gordon*, 272 Fed. 821, 827 (2d Cir. 1921); *Muse* v. *Mellin*, 212 F. Supp. 315, 318 (S. D. N. Y. 1962); *Southern Music Publishing Co.* v. *C. & C. Films, Inc.*, 171 F. Supp. 832, 833 (S. D. N. Y. 1959).

Professor Nimmer, in his noted treatise, "Nimmer on Copyright", states:

> "The mere claim of right of ownership in a copyrighted work will not give rise to an action under the

> Copyright Act unless there has been infringing conduct based upon such asserted right. However, a false assertion as to the ownership of a copyrighted work may give rise to an action for slander of title, or under the somewhat broader concept of disparagement, or for libel or slander. The better view, however, is that no actionable wrong results from a good faith but erroneous claim of copyright." Nimmer on Copyright (1963), Sec. 110.6, pp. 452-3.

Such a limitation on the jurisdiction of the federal courts is completely consistent with the criteria that a claim must be founded "directly" upon federal law. See Mishkin, The Federal "Questions" in the District Court, 53 Columbia Law Review, 157.

To permit the federal courts to entertain disputes with respect to the contractual relationship of the parties simply because the property that was the subject matter of the agreement consisted of title to copyrighted works or to property in which copyright is involved (books, motion pictures, architecture, works of art; even the sale of securities of a company owning copyrighted works), would flood the federal courts with cases that have minimal or no national significance.

Contrary to petitioner's assertion, the Declaratory Judgment Act, Title 28, U. S. C. Section 2201, in no way expands the jurisdiction of the federal courts to include questions involving the existence or non-existence of an agreement to convey ownership of a copyright. It is well settled that the Declaratory Judgment Act does not enlarge the jurisdiction of the federal courts to entertain disputes beyond the power granted by Section 1338 of Title 28:

> "The operation of the Declaratory Judgment Act is procedural only." *Aetna Life Ins. Co.* v. *Haworth*, 300 U. S. 227, 240 * * * Congress enlarged the range of remedies available in the federal courts but did not extend their jurisdiction. When concerned as we are with the power of the inferior federal courts to entertain litigation within the restricted area to which the Constitution and Acts of Congress confine them, 'jurisdiction' means the kind of issues which give right of entrance to federal courts. Jurisdiction in this sense was not altered by the Declaratory Judgment Act." *Skelly Oil Co.* v. *Phillips Petroleum Co.*, 339 U. S. 667, 671 (1949).

The above quoted rule has also been held applicable to copyright cases. *Wells* v. *Universal Pictures Co., Inc.*, 166 Fed. 2d 690 (2d Cir. 1948); *Southern Music Publishing Co.* v. *C. & C. Films, Inc.*, D. C. S. D. N. Y. (1959), 171 F. Supp. 832; *Cresci* v. *Music Publishers Holding Corp.*, D. C. S. D. N. Y. (1962), 210 F. Supp. 253.

POINT III

Petitioner has failed to allege acts of infringement on the part of defendants Eliscu or Ross Jungnickel.

As Judges Weinfeld and Friendly correctly held, petitioner has alleged no acts which constitute infringement. Admittedly, if petitioner had alleged valid acts of infringement on the part of either of the defendants, federal jurisdiction would lie to enjoin such infringement and for damages. Such jurisdiction is expressly provided by Sections 101 and 112 of the Copyright Act. As set forth above, in the absence of a valid claim for infringement, federal jurisdiction does not lie.

The acts alleged by petitioner to constitute an infringement of copyright are as follows:

(a) That Eliscu commenced his New York State action for declaratory judgment seeking an adjudication that he retains ownership of the copyright for the renewal term;

(b) That Eliscu's attorney wrote a letter to ASCAP advising of Eliscu's claim of ownership and demanding payment of his share as copyright owner of the proceeds derived from the public performance of the compositions;

(c) That Eliscu's attorney wrote a similar letter to Harry Fox, agent and trustee with respect to the mechanical recording license fees;

(d) That Eliscu and Jungnickel entered into an agreement pursuant to which Eliscu assigned his interest in the renewal terms of copyrights to Ross Jungnickel, Inc., which agreement by its express terms provided that it would not become effective unless and until Eliscu was declared owner of the copyrights as a result of a New York State action;

(e) That notice of the aforesaid contingent assignment by Eliscu to Ross Jungnickel was filed in the Office of the Register of Copyrights.

The District and Circuit Courts held that none of the above acts constituted an infringement of copyright. It is undisputed that neither Eliscu nor Ross Jungnickel either used or threatened to use the copyrighted works. In fact, their agreement by its very terms would not become effective until judicial determination of Eliscu's rights. (Eliscu R. 1a-3a).

None of the acts complained of by petitioner amounts to any more than a claim of ownership by Eliscu to his compositions. They in no manner constitute a violation of the rights given to the copyright owner by Section 1 of the Copyright Act. As Judge Weinfeld held, such acts "* * * are not in derogation of the copyrights, but in affirmance of their validity" (R. 127). *Dill Mfg. Co.* v. *Goff*, 125 F. 2d 676, 677 (6th Cir.), cert. denied, 317 U. S. 672 (1942). If a good faith but erroneous claim of ownership to a copyright and the institution of an action seeking to enforce such claim were held to be infringement of copyright, the consequences would be that many authors would be fearful of bringing actions in good faith in an attempt to assert their rights. It is respectfully urged that the threat of such consequences would impair the public policy of allowing each individual his day in court without risk of penalty for seeking judicial aid.

POINT IV

There exist no novel or important questions of federal law to be determined herein.

The only two agreements which petitioner alleges Eliscu to have executed are the "June ____, 1933" agreement, and the "May 25, 1933" agreement with RKO Studios, Inc. Eliscu denies ever having executed the "June ____, 1933" agreement, and petitioner admits that it does not have possession of any such document bearing Eliscu's signature (Eliscu R. 11a). Clearly, the determination of whether or not Eliscu did execute such agreement is not one of federal law.

There is no dispute as to what rights enure to an employer-for-hire under the Copyright Act. The dispute between the parties is concerned solely with their contractual rights and obligations under the May 25, 1933 agreement between Eliscu and RKO Studios, Inc. The May 25, 1933 agreement which Eliscu admits having executed, by its very language grants RKO only the right to use the compositions in connection with the motion picture "Flying Down to Rio" (R. 31a). In any event, the question as to what an agreement states in no way raises a federal issue.

The complaint raises no issue of federal law to be determined under Section 1(e) of the Copyright Act, which provides for the payment of royalties to the copyright owner with respect to mechanical reproduction of a musical work (Phonograph records, etc.), nor is the action brought under Section 1(e). In fact, the complaint does not allege that Eliscu has been receiving mechanical royalties which belong to petitioner. Moreover, it is undisputed that only petitioner has received the copyright owner's share of moneys derived from the licensing of mechanical reproductions (Eliscu R. 1a, 2a). The issue as to which of the parties will be entitled to mechanical royalties is ancillary to the dispute between the parties. If Eliscu's contentions with respect to his agreements with Harms and RKO are sustained by the New York State Supreme Court, then he will be entitled to all rights given by the Copyright Act to a copyright owner, including the right to license and receive royalties from the mechanical reproduction of his compositions. If Harms is sustained, then such rights will enure to it.

The complaint reveals no novel federal question with respect to the division of interests in and to the copyright

between Eliscu and his co-authors, Gus Kahn and Vincent Youmans. The respective shares of co-authors of a copyrighted work are determined by the rules applicable to tenants-in-common. *Silverman* v. *Sunrise Productions Corp.*, 273 Fed. 909 (2d Cir. 1921); *Edward B. Marks Music Corp.* v. *Jerry Vogel Music Co., Inc.*, D. C. S. D. N. Y. (1942) 42 F. Supp. 859; *Sweet Music, Inc.* v. *Melrose Music Corp.*, D. C. S. D. N. Y. (1960) 189 F. Supp. 655.

Petitioner's complaint raises no novel or crucial federal issue with respect to the claim that Eliscu's recording a contingent assignment to Ross Jungnickel, Inc. in the Copyright Office has placed a cloud on petitioner's title. It has long been the rule that an action seeking to remove a cloud on a title to a patent or copyright does not vest the federal court with jurisdiction of the cause as one arising under the patent or copyright laws. *Luckett* v. *Delpark, Inc.*, 270 U. S. 496 (1926).

Conclusion

The complaint fails to state a claim arising under any law of the United States, nor does it raise any novel or important issues which require determination by this Court. Accordingly, it is respectively submitted that the petition for a writ of certiorari should be denied.

Dated: April 23, 1965.

Respectfully submitted,

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